

THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

27 November 1978

MEMORANDUM FOR: Director of Central Intelligence

VIA : National Intelligence Officer for Warning^{RL}
Acting Director, National Foreign Assessment Center

FROM : National Intelligence Officer for the
Near East and South Asia

SUBJECT : Indications and Warning Project: Near East and South Asia

Summary. The apparent imminent demise of Algerian President Boumediene could usher in a period of political in-fighting for leadership. There probably will be no short term changes in Algerian policy. The Arab moderates appear to be in a beleaguered position as a result of the Baghdad Summit. The moderates have been drawn into a more radical position and this could be the forerunner of a trend. The Saudi leadership is no longer the monolithic institution we have been accustomed to. There are serious splits in the family on several key issues. The situation could be taken advantage of by certain family members and any opposition group. The small states of the Persian Gulf are concerned that events in Iran might stir up local opposition groups. Iran can no longer be counted on to come to their rescue.

1. Algeria. President Boumediene is gravely ill and the chances of his recovering are slim. Although there is a constitutional mechanism for handling the demise of the President, it is believed that the military will determine the next leader. Despite a facade of unity, there are deep differences in the Algerian leadership. The main split is between those favoring the continuation of Algeria's socialist, Third World hardline policy and those who support a more free economy and truly non-aligned stance. Boumediene used this split to his advantage so that no easily identifiable successor has emerged. Since Boumediene is a hardliner himself, we will see no basic change in the short run. We will probably see some sort of collegial rule until a dominant figure emerges, at which time we will be in a better position to assess Algeria's longer term alignment.

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2. Moderate Arab States/Baghdad Summit. The results of the Baghdad Summit are in, but more important than the public and private agreements is the poor performance of the moderate Arab states. We expected the moderates to be outmaneuvered to a degree -- the history of past summits is a history of moderates going with good intentions and determination, but losing the battle in the pits of Arab rhetoric. Because of the emotional issues at this summit, their weak performance will have greater impact. In agreeing to the final statement, the moderates have all taken a few steps to the left. Radicals in their own states will feel more confident, already the press in some states is printing things never before seen outside of Damascus and Baghdad. With the likelihood of another summit coming on the heels of the signing of an Egyptian-Israeli agreement, the continued radicalization of Arab moderates presents a serious problem.

3. Saudi Arabia. In addition to the problems the Saudis face as a result of being sucked into the radical maw at Baghdad, the cohesive Saudi leadership we once knew is breaking down. Under Faysal we had a monolithic approach to all issues, internal or external. Fahd and Khalid initially brought in a collegial stance on issues. Now we are beginning to see adversary positions. Fahd, Saud, Abdallah and Sultan are taking differing views on such key issues as oil pricing, Egypt, Camp David and South Yemen. Non-royal family cabinet members are also taking sides and positions. The cohesiveness of the family, at least outwardly, has always been cited as an example of strength against internal and external threats. Perhaps the ambiguous role of King Khalid is a factor, but the differences are running deep and on basic issues. This, coupled with a weak-kneed performance in Baghdad, is cause for concern. Will family members, who have established loyalties in various institutions (Army, National Guard, the educated, the establishment) use these extra-family elements to strengthen their stand? [REDACTED] 25X1

[REDACTED] 25X1 We do not see any short term problem [REDACTED] Several other factors -- Iran, radicalization of the Arab World and internal social pressures could, however, speed up the process.

4. Gulf States. The Gulf States are getting nervous about events in Iran. Several of the states (Bahrain, Kuwait and Qatar) have substantial Shi'a populations that might use the Shi'a holy month of Muharram as a political vehicle, as their co-religionists in Iran are planning. The general attack on the type of rule in Iran also is some cause for concern. All of the smaller states fall into the same category (one man rule). These states, which also had tacitly accepted that Iran would bail them out in the event of a leftist coup, must also be wondering how firm that assistance is at this point. The Government of Bahrain, which has the largest and most vocal Shi'a community, as well as the best organized radical opposition, faces the greatest threat.

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5. Afghanistan. Each pronouncement by the Taraki Government removes another layer of its non-aligned status and makes it appear more Marxist, if not outright communist. Although the Soviets probably do not desire this puppet image, Taraki's early December visit to Moscow will probably make his neighbors even more nervous and suspicious. At the same time, tribal dissidence is picking up. Since most of this dissidence is occurring in Pathan areas from which most of the Army's officers come, action against this dissidence may test its loyalty. The key question is how deeply will the Soviets become involved if Taraki gets in trouble? With about 900 advisors at all levels of the government and military the Soviets have a tough decision to make. The Indians have warned the Soviets about getting over involved. The opposition is currently fragmented, but religious fervor fanned by the "communist" trend of the government could change this.

6. Alert Memos. Alert memoranda on the consequences of a petroleum cutback in Iran and on the potential for increased troubles during the holy month of Muharram in Iran are being drafted.

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